

The complaint

Mrs H complains that HSBC UK Bank Plc rejected her disputed transaction claim.

What happened.

Mrs H purchased a washing line from a merchant through a debit transaction via PayPal.

The washing line was faulty, and Mrs H requested a replacement. The merchant promised a replacement but ultimately went into liquidation before a replacement was provided.

Mrs H raised a disputed transaction claim with HSBC. She spent a lot of time contacting HSBC about the claim. Ultimately HSBC rejected the claim. Mrs H complained to HSBC.

HSBC didn't uphold the complaint. It said it had rejected the chargeback claim correctly.

Mrs H remained unhappy and brought her complaint to this service.

Our investigator didn't uphold the complaint. They said that HSBC had accurately followed the chargeback rules in rejecting the claim. The investigator said they appreciated that Mrs H had found the process time consuming but said it was necessary for HSBC to obtain information and assess the likelihood of success of the claim. The investigator said they didn't think HSBC had acted unfairly.

Mrs H didn't agree. She said that HSBC had wasted hours of her time and she felt they should've rejected the claim sooner.

Because Mrs H didn't agree I've been asked to review the complaint.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I know it will disappoint Mrs H, but I agree with the investigators opinion. I'll explain why.

Chargebacks are a voluntary scheme. How it works is that the card issuer checks the complaint against the possible chargeback reasons to see what sort of evidence is required and under what timescales. This is so it can decide whether it can make a successful chargeback claim for the customer. Card issuers don't have to submit claims and will only do so if they believe they have evidence which will support a successful chargeback claim. This service expects card issuers to help if they can, but we don't expect them to raise a chargeback if there is little prospect of success.

I've looked at Mrs H's request to raise the chargeback to see whether Monzo acted fairly and reasonably when it rejected the claim.

Mrs H paid for the washing line using PayPal who acted as a payment facilitator. This means that the disputed transaction is between HSBC and PayPal, not HSBC and the merchant.

I can see that PayPal transferred the monies to the merchant. This means that PayPal has fulfilled its contractual obligations. I can't see that PayPal made any errors. For this reason, I think HSBC was correct to reject the chargeback claim.

I appreciate that Mrs H received faulty goods. This is something she should raise with PayPal as they were the party who made payment to the merchant.

I've taken account of what Mrs H has said about the time she spent dealing with HSBC in relation to the disputed transaction. I can see that the dispute was opened and closed and then re-opened again when it was first raised. I can also see that Mrs H regularly chased HSBC for updates on the progress of her claim.

I've thought about whether HSBC made any errors or treated Mrs H unfairly during the chargeback process. Whilst I understand that it must've been frustrating for Mrs H, it is part of the chargeback process that the claim needs to be investigated. This meant that HSBC had to obtain information and evidence and assess it to see if there was a prospect of a successful chargeback claim. There's no set timescale within which HSBC is obliged to complete that process.

Based on what I've seen, I'm unable to uphold the complaint. I don't think HSBC acted unfairly or unreasonably when it rejected the chargeback claim.

My final decision

My final decision is that I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 18 June 2025.

Emma Davy
Ombudsman